

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU

LAWRENCE COUNTY

REGULAR AUDIT

JANUARY 1, 2004 THROUGH DECEMBER 31, 2005

FISCAL YEARS AUDITED UNDER GAGAS: 2005 and 2004

**Caudill & Associates, CPA's**

188 James Hannah Drive, P.O. Box 680  
South Shore, KY 41175





Mary Taylor, CPA  
Auditor of State

January 10, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

*Mary Taylor*

MARY TAYLOR, CPA  
Auditor of State

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**Auditor of State  
Betty Montgomery**

Board of Directors  
Lawrence County Convention and Visitors' Bureau  
216 Collins Ave.  
South Point, Ohio 45680

We have reviewed the *Independent Auditors' Report* of the Lawrence County Convention and Visitors' Bureau, prepared by Caudill & Associates, CPAs, for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lawrence County Convention and Visitors' Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 29, 2006

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LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU  
LAWRENCE COUNTY

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# Caudill & Associates, CPA's

188 James Hannah Drive, P.O. Box 680  
South Shore, KY 41175

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

Board of Directors  
Lawrence County Convention and Visitors' Bureau  
216 Collins Avenue  
South Point, Ohio 45680

## Independent Auditors' Report

We have audited the accompanying financial statements of the Lawrence County Convention and Visitors' Bureau, Lawrence County, Ohio (the Bureau), as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau prepares its financial statements on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Bureau, as of December 31, 2005 and 2004, and the cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2006 on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

*Caudill & Associates, CPA's*

Caudill & Associates, CPA's  
October 16, 2006

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU  
LAWRENCE COUNTY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
CHANGES IN CASH BALANCES - GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2005

	General Fund
Cash Receipts:	
Intergovernmental	\$ 32,748
Interest	<u>22</u>
Total Cash Receipts	<u>32,770</u>
Cash Disbursements:	
Current:	
General Government	<u>38,855</u>
Total Cash Disbursements	<u>38,855</u>
Total receipts under disbursements	<u>(6,085)</u>
Fund Cash Balance January 1, 2005	<u>7,754</u>
Fund Cash Balance December 31, 2005	<u><u>\$ 1,669</u></u>

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU  
LAWRENCE COUNTY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
CHANGES IN CASH BALANCES - GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2004

	General Fund
Cash Receipts:	
Intergovernmental	\$ 35,108
Interest	<u>57</u>
Interfund	
Total Cash Receipts	<u>35,165</u>
 Cash Disbursements:	
Current:	
General Government	<u>33,854</u>
Total Cash Disbursements	<u>33,854</u>
 Total receipts under disbursements	<u>1,311</u>
 Fund Cash Balance January 1, 2004	<u>6,443</u>
 Fund Cash Balance December 31, 2004	<u><u>\$ 7,754</u></u>

The accompanying notes to the financial statements are an integral part of this statement

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU  
LAWRENCE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 and 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Bureau is funded primarily by Lawrence County from lodging taxes assessed and collected by the County and distributed to the Bureau. These taxes are collected from hotels and motels within Lawrence County and are required to be used to promote tourism and travel in Lawrence County.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. BASIS OF ACCOUNTING

The Organization's Statement of Cash Receipts and Disbursements and Cash Balances were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis of accounting records cash receipts and cash disbursements. Cash receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying Statements of Cash Receipts and Disbursements and Cash Balances is not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

C. FUND ACCOUNTING

The Bureau uses fund accounting to segregate cash and investments that are restricted as to use. The Bureau classifies its funds into the following types

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

D. PROPERTY, PLANT & EQUIPMENT

Acquisitions of property, plant and equipment are recorded as disbursements when paid. n e w items are not reflected as assets on the accompanying financial statements.

E. FEDERAL INCOME TAXES

The Bureau qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

F. BUDGETARY PROCESS

The Bureau is not subject to the provisions of Section 5705 of the Revised Code as property tax revenues are not utilized to finance its operations. However, under the Bureau's policy, the Director provides the Board with an annual budget that is used as a guideline to control the disbursements of the Bureau.

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU  
LAWRENCE COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 and 2004

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Organization maintains a pool of deposits used by all funds. The carrying amount of cash and deposits at December 31 follows:

	<u>2005</u>	<u>2004</u>
Checking account	\$ 1,669	\$ 7,754
Total	\$ 1,669	\$ 7,754

Deposits are insured by the Federal Depository Insurance Corporation.

3. LODGING TAX

Lodging tax is assessed and collected by Lawrence County on all hotels and motels within their respective jurisdiction. These taxes are required to be used to promote travel and tourism in the area. The Bureau pays operational and promotional expenses from these funds. In 2005 and 2004, the Bureau received Lodging Tax in the amount of \$32,748 and \$35,108 respectively from Lawrence County.

4. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

-Comprehensive property and general liability -Errors and Omissions

5. RELATED PARTY

The Lawrence County Convention and Visitor's Bureau is operated by Lawrence Economic Development Corporation through a contractual agreement.

# Caudill & Associates, CPA's

188 James Hannah Drive, P.O. Box 680  
South Shore, KY 41175

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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Lawrence County Convention and Visitors' Bureau  
216 Collins Avenue  
South Point, Ohio 45680

We have audited the financial statements of the Lawrence County Convention and Visitors Bureau, as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated October 16, 2006, wherein we noted that the Bureau prepared its financial statements using the cash receipts and disbursements basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audits, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Audit Standards*.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

*Caudill & Associates, CPA's*

Caudill & Associates, CPA's  
October 16, 2006

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU  
LAWRENCE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005 and 2004

None







**Auditor of State  
Betty Montgomery**

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**LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU**

**LAWRENCE COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 16, 2007**